AMENDED IN ASSEMBLY AUGUST 18, 2010 AMENDED IN SENATE APRIL 30, 2009 AMENDED IN SENATE MARCH 31, 2009

SENATE BILL

No. 632

Introduced by Senator Lowenthal

February 27, 2009

An act to amend and renumber Section 1760 of, to add a heading to Chapter 1 (commencing with Section 1720) of, and to add Chapter 2 (commencing with Section 1740) to, Part 2 of Division 6 of, the Harbors and Navigation Code, relating to ports. An act to add Sections 40541 and 41083 to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 632, as amended, Lowenthal. Ports: congestion relief: air pollution mitigation. South Coast Air Quality Management District: Sacramento Metropolitan Air Quality Management District: motor vehicle fee.

Existing law creates the South Coast Air Quality Management District with jurisdiction over air quality within the South Coast Air Basin, including in the Counties of Los Angeles, Orange, Riverside, and San Bernardino. Existing law creates the Sacramento Metropolitan Air Quality Management District within the County of Sacramento. Existing law authorizes air pollution control and air quality management districts, including the south coast and Sacramento districts, to impose various fees to reduce air pollution from motor vehicles.

This bill would authorize the south coast district and Sacramento district, until January 1, 2020, to levy an additional fee of up to \$3 upon motor vehicles registered within the districts, and would authorize the districts to use the revenues created by the fee for projects to reduce

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emissions of nitrogen oxides and volatile organic compounds, as provided. The fee would be collected by the Department of Motor Vehicles upon renewal of vehicle registration.

(1) Existing law regulates the operation of ports and harbors.

This bill would require the Ports of Long Beach, Los Angeles, and Oakland, beginning January 1, 2010, to assess their infrastructure and air quality improvement needs, including, but not limited to, projects that improve the efficiency of the movement of cargo, reduce congestion impacts associated with the movement of cargo, and reduce pollution associated with the movement of that cargo.

The bill would require each port to provide this assessment to the Legislature by July 1, 2010, and to include in the assessment the total costs of the infrastructure and air quality improvements, possible funding options for these projects, and estimated timelines for implementation.

By imposing these additional duties upon the ports, this bill would establish a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes-no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 40541 is added to the Health and Safety 2 Code, to read:
- 3 40541. (a) In addition to any other fees authorized by law, the
- 4 south coast district, until January 1, 2020, may levy a fee of up to
- 5 three dollars (\$3) upon a motor vehicle registered within the
- 6 district. The fee shall be paid to, and collected by, the Department
- 7 of Motor Vehicles, upon renewal of registration of a motor vehicle
- 8 registered within the south coast district. This subdivision shall
- 9 not apply to a vehicle that is expressly exempted under the Vehicle
- 10 Code from the payment of registration fees or a vehicle that meets
- 11 the standards adopted by the state board for a zero-emission
- 12 vehicle.
- 13 (b) After deducting all costs incurred pursuant to this section
- 14 by the Department of Motor Vehicles, the Department of Motor

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Vehicles shall distribute the remaining revenues collected pursuant to this section to the south coast district.

- (c) The south coast district shall use the revenues created pursuant to this section for projects to reduce emissions of nitrogen oxides or volatile organic compounds, or both, from motor vehicles. The south coast district shall not use more than 5 percent of the revenues received by the south coast district pursuant to this section to pay for the south coast district's administrative costs in implementing this section.
- (d) (1) The south coast district shall not use revenues created pursuant to this section to fund an emission reduction required by a local, state, or federal statute, rule, regulation, memorandum of agreement or understanding, or other legally binding document, unless the date on which funding is awarded for a project is on or before the compliance date for that emission reduction requirement.
- (2) The south coast district may use revenues created pursuant to this section to fund a project even if the state implementation plan assumes that the emission reductions that would be created by that project will occur, if the south coast district complies with paragraph (1).
- SEC. 2. Section 41083 is added to the Health and Safety Code, to read:
- 41083. (a) In addition to any other fees authorized by law, the Sacramento district, until January 1, 2020, may levy a fee of up to three dollars (\$3) upon a motor vehicle registered within the district. The fee shall be paid to, and collected by, the Department of Motor Vehicles, upon renewal of registration of a motor vehicle registered within the Sacramento district. This subdivision shall not apply to a vehicle that is expressly exempted under the Vehicle Code from the payment of registration fees or a vehicle that meets the standards adopted by the state board for a zero-emission vehicle.
- (b) After deducting all costs incurred pursuant to this section by the Department of Motor Vehicles, the Department of Motor Vehicles shall distribute the remaining revenues collected pursuant to this section to the Sacramento district.
- (c) The Sacramento district shall use the revenues created pursuant to this section for projects to reduce emissions of nitrogen oxides or volatile organic compounds, or both, from motor vehicles.

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The Sacramento district shall not use more than 5 percent of the revenues received by the Sacramento district pursuant to this section to pay for the Sacramento district's administrative costs in implementing this section.

- (d) (1) The Sacramento district shall not use revenues created pursuant to this section to fund an emission reduction required by a local, state, or federal statute, rule, regulation, memorandum of agreement or understanding, or other legally binding document, unless the date on which funding is awarded for a project is on or before the compliance date for that emission reduction requirement.
- (2) The Sacramento district may use revenues created pursuant to this section to fund a project even if the state implementation plan assumes that the emission reductions that would be created by that project will occur, if the Sacramento district complies with paragraph (1).

SECTION 1. The heading of Chapter 1 (commencing with Section 1720) is added to Part 2 of Division 6 of the Harbors and Navigation Code, immediately preceding Section 1720, to read:

CHAPTER 1. PORT FACILITY CONSTRUCTION

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SEC. 2. Chapter 2 (commencing with Section 1740) is added to Part 2 of Division 6 of the Harbors and Navigation Code, to read:

CHAPTER 2. PORT CONGESTION RELIEF AND PORT MITIGATION RELIEF

- 1740. The Legislature hereby finds and declares all of the following:
- (a) The Ports of Long Beach, Los Angeles, and Oakland operate in unique communities, environments, and markets that require infrastructure improvements and air pollution reduction measures tailored to the nature and degree of need in each port of each community.
- (b) There is a need to mitigate the enormous burden imposed on the highway transportation system serving the Ports of Long Beach, Los Angeles, and Oakland by the overland movement of container eargo shipped to and from those ports.

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(e) The operations at the ports, including the movement of locomotives, ships, and trucks that move cargo containers to and from the ports, cause air pollution that requires mitigation. This pollution contributes to the thousands of premature deaths and billions of dollars of health costs each year attributable to goods movement pollution in California.

1750. (a) Beginning January 1, 2010, the Port of Long Beach shall assess its infrastructure and air quality improvement needs.

- (b) The port, when assessing infrastructure projects, shall consult with the Southern California Association of Governments on projects that improve the efficiency of cargo movement and reduce congestion impacts associated with the movement of cargo to and from the port through the southern California region. The port shall identify any project lists, such as the Goods Movement Action Plan, and provide any updated information for the projects on those lists. In the assessment, the port, at a minimum, shall identify the projects, funding source or possible funding source, and estimated timelines for completion.
- (c) The port, when assessing air quality projects, shall consult with the South Coast Air Quality Management District on projects that reduce pollution associated with the movement of cargo to and from the port through the southern California region, including, but not limited to, projects that reduce pollution from trucks, cargo handling equipment, locomotives, and ships that move cargo within and to and from the port. The port shall identify any project lists, such as the Goods Movement Emission Reduction Plan or the San Pedro Bay Clean Air Action Plan, and provide updated information for the projects on those lists, where feasible. In the assessment, the port, at a minimum, shall identify the projects, funding source or possible funding source, and estimated timelines for implementation.
- (d) On or before July 1, 2010, the port shall provide this assessment to the Legislature and shall include, but not be limited to, an assessment of total costs, including updating cost estimates from previous reports or project lists, for the infrastructure and air quality improvements, as well as identifying funding for projects that may have a source of funding and identifying possible funding options for projects without a funding source.

1760. (a) Beginning January 1, 2010, the Port of Los Angeles shall assess its infrastructure and air quality improvement needs.

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(b) The port, when assessing infrastructure projects, shall consult with the Southern California Association of Governments on projects that improve the efficiency of cargo movement and reduce congestion impacts associated with the movement of cargo to and from the port through the southern California region. The port shall identify any project lists, such as the Goods Movement Action Plan, and provide any updated information for the projects on those lists. In the assessment, the port, at a minimum, shall identify the projects, funding source or possible funding source, and estimated timelines for completion.

- (c) The port, when assessing air quality projects, shall consult with the South Coast Air Quality Management District on projects that reduce pollution associated with the movement of eargo to and from the port through the southern California region, including, but not limited to, projects that reduce pollution from trucks, eargo handling equipment, locomotives, and ships that move eargo within and to and from the port. The port shall identify any project lists, such as the Goods Movement Emission Reduction Plan or the San Pedro Bay Clean Air Action Plan, and provide updated information for the projects on those lists, where feasible. In the assessment, the port, at a minimum, shall identify the projects, funding source or possible funding source, and estimated timelines for implementation.
- (d) On or before July 1, 2010, the port shall provide this assessment to the Legislature and shall include, but not be limited to, an assessment of total costs, including updating cost estimates from previous reports or project lists, for the infrastructure and air quality improvements, as well as identifying funding for projects that may have a source of funding and identifying possible funding options for projects without a funding source.
- 1770. (a) Beginning January 1, 2010, the Port of Oakland shall assess its infrastructure and air quality improvement needs.
- (b) The port, when assessing infrastructure projects, shall consult with the Metropolitan Transportation Commission on projects that improve the efficiency of cargo movement and reduce congestion impacts associated with the movement of cargo to and from the port through the northern California region. The port shall identify any project lists, such as the Goods Movement Action Plan, and provide any updated information for the projects on those lists. In the assessment, the port, at a minimum, shall identify the projects,

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funding source or possible funding source, and estimated timelines
 for completion.

- (c) The port, when assessing air quality projects, shall consult with the Bay Area Air Quality Management District on projects that reduce pollution associated with the movement of cargo to and from the port through the northern California region, including, but not limited to, projects that reduce pollution from trucks, cargo handling equipment, locomotives, and ships that move cargo within and to and from the port. The port shall identify any project lists, such as the Goods Movement Emission Reduction Plan, and provide updated information for the projects on those lists, where feasible. In the assessment, the port, at a minimum, shall identify the projects, funding source or possible funding source, and estimated timelines for implementation.
- (d) On or before July 1, 2010, the port shall provide this assessment to the Legislature and shall include, but not be limited to, an assessment of total costs, including updating cost estimates from previous reports or project lists, for the infrastructure and air quality improvements, as well as identifying funding for projects that may have a source of funding and identifying possible funding options for projects without a funding source.
- SEC. 3. Section 1760 of the Harbors and Navigation Code is amended and renumbered to read:
- 1730. (a) For purposes of this section, "council" means the California Marine and Intermodal Transportation System Advisory Council, a regional subunit of the Marine Transportation System National Advisory Council chartered by the federal Secretary of Transportation under the Federal Advisory Council Act (Public Law 92-463).
- (b) The council is requested to do all of the following:
- (1) Meet, hold public hearings, and compile data on issues that include, but need not be limited to, all of the following:
 - (A) The projected growth of each maritime port in the state.
- (B) The costs and benefits of developing a coordinated state program to obtain federal funding for maritime port growth, security, and congestion relief.
- (C) Impacts of maritime port growth on the state's transportation
 system.

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(D) Air pollution caused by movement of goods through the state's maritime ports, and proposed methods of mitigating or alleviating that pollution.

- (E) Maritime port security, including, but not limited to, training, readiness, certification of port personnel, exercise planning and conduct, and critical marine transportation system infrastructure protection.
- (F) A statewide plan for continuing operation of maritime ports in cooperation with the United States Coast Guard, the federal Department of Homeland Security, the California Emergency Management Agency, and the California National Guard, consistent with the state's emergency management system and the national emergency management system, in the event of a major incident or disruption of port operations in one or more of the state's maritime ports.
- (G) State marine transportation policy, legislation, and planning; regional infrastructure project funding; competitiveness; environmental impacts; port safety and security; and any other matters affecting the marine transportation system of the United States within, or affecting, the state.
- (2) Identify all state agencies that are involved with the development, planning, or coordination of maritime ports in the state.
- (3) Identify other states that have a statewide port master plan and determine whether that plan has assisted those states in improving their maritime ports.
- (4) Compile all information obtained pursuant to paragraphs (1) to (3), inclusive, and submit its findings in a report to the Legislature not later than January 1, 2006. The report should include, but need not be limited to, recommendations on methods to better manage the growth of maritime ports and address the environmental impacts of moving goods through those ports.
- (c) The activities of the council pursuant to this section shall not be funded with appropriations from the General Fund.
- SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or

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- level of service mandated by this act, within the meaning of Section 17556 of the Government Code.